



FEDERAL ELECTION COMMISSION
Washington, DC 20463

MEMORANDUM

TO: The Commission

FROM: Office of Commission Secretary *secf*

DATE: May 31, 2016

SUBJECT: *Ex Parte* Communication Concerning Reg 2014-01
Outline of Draft NPRM Implementing Party
Segregated Accounts

Transmitted herewith is an *ex parte* communication sent to Chairman Matthew S. Petersen regarding the above matter which was discussed at the May 19, 2016 open meeting.

Attachment



"Robert E. Rutkowski"

05/27/2016 11:14 AM

To <secretary@fec.gov>, <webmaster@fec.gov>,

cc

bcc

Subject Adopt Regulations to Implement Restricted Political Party Accounts

2016 MAY 31 AM 9:05

Matthew S. Petersen
Chairman
Federal Election Commission
999 E Street, NW
Washington, DC 20463
(800) 424-9530
secretary@fec.gov, webmaster@fec.gov

Re: Adopt Regulations to Implement Restricted Political Party Accounts

Dear Chair,

Reform groups sent a letter today to Commissioners challenging the agency's failure to adopt regulations to implement the restricted national party accounts enacted in December 2014 and warning about the consequences of this failure.

Congress snuck a rider into a session-ending Omnibus Appropriations bill in 2014 that authorized three new separate party accounts for the DNC and RNC. Each account is authorized to receive contributions up to \$100,200 per donor, per year, thereby allowing a single donor to give more than \$300,000 to these national party committee accounts. The donor can give an additional \$33,400 per year to the party to make campaign related expenditures.

The use of the money in each of these new accounts is restricted: one account is to pay for the presidential nominating conventions, a second account is to pay for the legal costs of election recounts and contests and other legal proceedings and the third account is to pay for the construction, purchase and operation of party headquarter buildings.

None of these funds are authorized to be used for campaign expenses.

The FEC is supposed to administer and formulate policy on the provisions. Yet seventeen months after have the provisions were enacted, the agency has failed to even begin a proceeding to adopt regulation or further define the restricted scope of the new accounts.

The indefensible failure of the FEC to adopt regulations for the restricted accounts and the widely held view by political operatives that campaign finance laws are not enforced are bound to result in the misuse of the money in these accounts. Already there are published reports that Trump campaign strategists plan to use the restricted accounts for campaign expenditures. History tells us that when you don't have proper enforcement of laws, you don't have the laws.

The language of the appropriations bill is clear. It's illegal for the parties to use these mega donations for campaign expenses. The FEC should have adopted regulations by now, but even without regulations it's still the FEC's job to enforce the restrictions on use of these accounts.

The discussion at last week's meeting made clear that the Commission has given up on having rules in place for the frenzy of raising and spending the huge donations that are already flowing into these new party accounts. With or without regulations in place, however, it is still the Commission's ongoing responsibility to ensure that the statutory restrictions on these accounts are followed. Therefore, the Commission should issue interim regulations or otherwise make clear

that the statutory limitations on the use of these accounts will be enforced and that no campaign expenditures can be made from these accounts.

Thank you for the opportunity to bring these remarks to your attention.

Yours sincerely,
Robert E. Rutkowski

cc: House Minority Leadership

Re: Full letter:

http://www.democracy21.org/wp-content/uploads/2016/05/D21-CLC-Letter-to-FEC-re-party-accounts_5.26.16.pdf